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ABSTRACT

The main purpose of the Evaluation and Training Institute Distribution Study was to design a system for distributing vocational education funds in California which complied with requirements of P.L. 94-482 and was equitable and practical to implement. Eight states were selected whose state plans, vocational education delivery systems, and/or distribution methods were most comparable to California for study of methods used to distribute vocational education funds and effects of those methods on meeting needs. They were Illinois, Ohio, Florida, Washington, New Jersey, Arizona, Michigan, and Colorado. Three general categories of procedures used to divide federal funds between the secondary and postsecondary systems were analyzed: simultaneous distribution among postsecondary and secondary institutions, division of funds on the basis of legislative requirements or political negotiation, and division of funds on the basis of program enrollments or costs. Five alternative methods emerged as possibilities for dividing funds: (1) allocate all federal funds to the postsecondary system, (2) allocate only federally required 15% minimum setaside to postsecondary system, (3) divide funds on basis of unadjusted vocational enrollments, (4) divide funds on basis of adjusted vocational enrollments or some measure of vocational attendance units, and (5) distribute funds directly to local districts with no agency level split of funds. (YLB)

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The Development of a State Distribution System for Federal Vocational Education Funds

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Overview

The continually increasing need for funds for vocational education, and the desire to maximize the effective use of these funds, has concerned those involved in vocational education throughout California for many years. The administration of federal support funds has been of particular concern, with a great deal of study and debate focusing on both the purpose of the federal funds and the methods by which they are distributed.

There are two agencies in California with responsibilities for the delivery of public vocational education programs: the State Department of Education, and the Chancellor's Office of the California Community Colleges. The State Department of Education is the executive agency of the State Board of Education, and is responsible for vocational education in grades K-12. The administrative unit for vocational programs within the SDE is the Vocational Education Unit, headed by the State Director of Vocational Education. The Chancellor's Office is the executive agency for the Board of Governors of the California Community Colleges. No special unit responsible for vocational programs has been designated in the community colleges.

Since federal statutes have continued to require a single state agency for the administration of federal VEA funds, the California Legislature designated the State Board of Education as the sole state agency. In order to accomodate the jurisdictional overlap between the two Boards, the Joint Policy Council on Vocational Education was established, with equal representation from the two Boards. To provide for improved program coordination, a Joint Staff Council was also established, composed of state staff from the Vocational Education Unit of the State Department of Education, and from the Chancellor's Office. The Joint Staff Council coordinates state level education administrative activities and makes policy recommendations to the Joint

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Policy Council, which, in turn, makes recommendations to the State Board of Education and the Board of Governors.

The presence of two strong state agencies has resulted in an unusual arrangement for the distribution of federal VEA funds in California. Since the State Board of Education is the agency accountable for the expenditure of VEA funds, the State Department of Education is responsible for the preparation of the annual accountability reports and the Five-Year Plan for Vocational Education. Accordingly, a portion of Subpart 2, 3, and 5, and all of Section 102(d) funds are withheld by the State Department of Education to support administrative and planning costs. Some of these administrative funds are contracted to the Chancellor's Office via an Interagency Agreement. The remaining funds are divided between the State Department of Education and the Chancellor's Office. Each agency then distributes its share of the monies to the LEAs under its jurisdiction, using separate procedures.

The practice of splitting funds between the two levels has now continued for over a decade, despite repeated concerns raised with respect to its equity. The issues of definition and measurement of variables have still not been resolved, and the system continues to operate with no firm evidence that it reflects the current priorities of vocational education as defined by state and federal regulations.

The need for a study of the system used to distribute federal vocational education funds in California was recognized in the 1978-79 revisions to the California State Plan for Vocational Education, and a request for proposals to develop a distribution system for federal vocational education funds was issued. On the basis of the proposal competition, the Evaluation and Training Institute (ETI) was selected to conduct the Distribution Study.

The main purpose of the ETI Distribution Study is to design a system for distributing vocational education funds between secondary schools and community colleges and among individual LEAs and other eligible recipients that complies with the requirements of P.L. 94-482 and is both equitable and practical to implement. To meet the objectives of the study, ten major project activities were defined. These activities can be summarized into four main categories: 1) gathering information from a wide variety of persons and resources in vocational education in California and throughout the nation; 2) analysing alternative types of vocational education distribution systems; 3) developing models to simulate the effects of these systems; and 4) designing a recommended system for distributing federal vocational education funds in California.

This paper focuses upon the methods used in California and eight other states to distribute vocational education funds and the effect of those methods on meeting needs. The methodology for the study and the rationale for selection of the states is presented in the next section.

Selection of Eight Sample States. The underlying purpose in selecting the sample of eight states was to choose states whose State Plans, vocational education delivery systems and/or distribution methods were most comparable to California.

In order to ensure that the most appropriate states were selected, as shown on Table 1, all of the states were categorized according to three criteria: 1) the organizational structure of their designated State Board of Education for receiving federal VEA funds; 2) the comparability of their vocational education delivery system to California's system; and 3) the amount of federal VEA funds received by the state. (The figures for 1977-1978 were used since these figures were used in the original categorization in the Distribution Study proposal and the proportions did not substantially change in 1978-1979.)

In 42 states (including California), the State Board of Education is designated as the sole state agency to receive federal vocational education monies. However, in 17 states, the State Board of Education has responsibility for K-12, but not postsecondary institutions. In 25 other states, the State Board of Education has direct authority over both secondary and postsecondary institutions. In the remaining 8 states, 6 have a separate State Board for Vocational Education that has authority over all vocational programs in all institutions in the state, and 2 have completely unique organizational structures.

Of the 17 states with secondary and postsecondary structures similar to California, 14 also have delivery systems comparable to California's. A comparable delivery system means that instead of separating vocational programs into specific high schools, area schools, or even, in some cases, special community colleges, vocational programs are offered in comprehensive high schools and community colleges. Of these 14 states, Illinois most closely resembles California and was chosen as a site visit state. Illinois serves a large number of elementary and secondary school systems in both large urban and small rural districts (1,029), has 70 public postsecondary institutions offering occupational programs, and spends more than $100 million annually on vocational education. Ohio was also chosen as a site visit state because of its similar delivery system and structure and because of the location of the National Center for Vocational Education at Ohio State University and its extensive involvement in vocational education nationally.

Table 1

CATEGORIZATION OF STATES FOR CALIFORNIA DISTRIBUTION STUDY.

		Structure of State Board of Education			
Delivery System	Total Expenditures for Vocational Education in 1977 (Federal and State)	Authority over Secondary Only	Authority over Secondary and Postsecondary	Separate Board for Vocational Education	Other
Similar to CA	Over 100 million	California Illinois** Maryland Massachusetts New Jersey* Ohio** Virginia	Florida** Michigan* Minnesota North Carlina Pennsylvania Texas		
	25 million - 100 million	Arizona* Connecticut South Carolina	Georgia Louisiana Missouri Oregon Tennessee West Virginia		
	Less than 25 million	Alaska Nevada Vermont Wyoming	Montana New Hampshire Utah		
Not Comparable to CA	Over 100 million		New York	Washington** Wisconsin	
	25 million - 100 million	Oklahoma	Alabama Arkansas Iowa Kansas Mississippi	Indiana Kentucky	Colorado
	Less than 25 million	Delaware Nebraska	Maine New Mexico North Dakota Rhode Island	South Dakota	Idaho Hawaii

* Distribution system review states
** Site visit states

In those states where the State Board of Education has direct authority over postsecondary as well as secondary programs, 15 states have vocational education delivery systems comparable to California. That is, while the State Board of Education has direct authority over postsecondary and secondary education, a separate state agency administers the postsecondary program. Among these states, Florida and Michigan were the most useful to this study. Florida is known for its pupil weighting systems, and it was helpful to learn how they determine comparability between the two levels in their funding allocations. Unlike California, Washington has a separate Board for Vocational Education. However, it is a Western state, it has the secondary/postsecondary distribution problem and it allocates over half of its federal funds to postsecondary education.

The four site visit states chosen were thus: Illinois, Ohio, Florida and Washington. In each state, interviews were held with the State Director of Vocational Education and/or his appointed representative and representatives of both the secondary level and community colleges.

For the four other states to be studied, New Jersey, Arizona, Michigan and Colorado were selected. New Jersey was selected because it has a similar State Board organization and delivery system as California, a large vocational education budget, a large number of eligible recipients, urban centers and rural areas, and is currently operating under a court order similar to Serrano-Priest. Arizona and Michigan have State Board organizations and delivery systems similar to those in California, as well as similar ethnic subpopulations. Michigan also has a large vocational education budget, a large number of eligible recipients (580 school districts and 52 postsecondary institutions) and has had extensive experience with school finance reform. Finally Colorado allocates essentially all federal vocational education monies to the postsecondary level, and was selected since it's system contrasted strongly with that of California.

An Analysis of Methods Used to Divide Funds Between Delivery Systems. The Education Amendments of 1976 specify only one criterion related to the division of federal funds between secondary and postsecondary level vocational education programs. At least 15 percent of the funds allocated under Subparts 2 and 3 must be used to pay for up to 50 percent of the costs of vocational education for persons who have left or completed high school, and who are enrolled in vocational programs leading toward an associate degree or a degree other than the baccalaureate. In other words, at least 15 percent of these funds must be used to support postsecondary and adult programs. States may choose to spend a larger portion of VEA funds on postsecondary vocational education--and indeed in New Mexico, all VEA funds are allocated to postsecondary institutions-- but they must spend at least 15 percent. Neither the legislation nor the regulations contain any other directions concerning the division of VEA funds between secondary, postsecondary, and adult programs.

This section discusses and summarizes the procedures used in the eight study sample states to distribute federal vocational education monies between secondary and postsecondary systems. As was the case for the methods used by the states in distributing funds to local districts, no single state employs a procedure which is free of inconsistencies or logical aberrations. However, particular aspects of the systems employed in some states suggest possible alternative designs for a distribution system for California.

The various procedures employed in the eight sample states to divide the federal funds between the secondary and postsecondary systems can be summarized into three general categories: 1) No formal division of funds is made between different delivery systems - both postsecondary and secondary districts are considered simultaneously in distribution procedures and formulas; 2) a division of funds between the two systems is made prior to distributing funds to individual districts within each level but the division reflects a political process or legislative requirement rather than a systematic, mathematical procedure; and 3) a division of funds is made between the two levels prior to distributing funds to individual districts within each system, based upon vocational program enrollments and/or vocational program costs at each level. Each of these categories is discussed below in relation to the individual states which employ such a procedure.

This three-way classification is not presented as a complete typology of all the methods used across the nation. Even within the study sample of 8 states, not all of the procedures used fit neatly into one of the three categories. All methods, for example, reflect political processes to some extent; the choice of variables and factors to be used in a

formula involves political decisions. However, this typology provides a basic framework for analyzing the information gathered from other states.

Charts 2 and 3 present summary data relating to the financing of vocational education in the comparative sample of states. Column 4 of the table indicates whether the state has legislated or mandated state or local funding specifically to support vocational training programs. California has no such subvention monies reserved for vocatonal education.

Simultaneous Distribution Among Postsecondary and Secondary Institutions. Four of the eight sample states do not split federal funds between the delivery systems, but rather distribute funds to local districts and institutions at both levels simultaneously. These four states are Colorado, Florida, Ohio, and Illinois. Although no explicit division of funds is made, an analysis of the procedures employed in these states reveals that there is, nevertheless, an implicit division of funds between the secondary and postsecondary systems.

In the case of Colorado, for example, a division is made with respect to which type of funding each system will receive. Colorado's secondary school districts are not considered in the distribution of Subpart 2 funds, with the exception of the setaside amounts for the disadvantaged and handicapped. Since ongoing and new vocational education programs at the secondary level are funded entirely with state monies, all Subpart 2 monies are given to postsecondary institutions including the state based community college system, local junior colleges and area vocational schools. In addition, secondary districts receive no Subpart 3 funding which is used to support Guidance and Counseling activities in Colorado's area vocational schools, and to provide for vocational teacher education at Colorado State University and the University of Northern Colorado. Colorado has nineteen area vocational schools, which operate in a manner similar to California's regional occupational centers (ROC's). Unlike the ROC's, however, the majority of area vocational schools in Colorado are associated with local junior colleges or have been established in the state based community college system.

In addition to Subpart 2 setaside funding, Colorado's secondary school districts receive Subpart 4 and Subpart 5 monies. In distributing these funds, a "reimbursement percentage level" is computed for secondary and postsecondary districts through separate formulas incorporating measures of the federal criteria. Both secondary and postsecondary districts then apply for reimbursement of actual costs for special programs for the disadvantaged and handicapped, and for consumer and homemaking programs.

In contrast to Colorado, Florida distributes all federal funds directly to both secondary and postsecondary districts through a formula allocation process, with the exception of Subpart 4 funding, which is reserved exclusively for the Individualized Manpower Training System at the secondary level, and some Subpart 3 project monies. Different formulas are used in distributing funds under the various subparts and sections of the Act, but both secondary and postsecondary districts' data are processed simultaneously in the formula procedures.

The allocation of funds among secondary and postsecondary districts is weighted by vocational enrollments at the two levels since measures of vocational FTE are included in the allocation formulas. Although Florida does not make an explicit, agency-level division of funds on the basis of enrollments, an implicit distribution on the basis of enrollments does take place through use of the formulas.

The most useful data gathered from Florida during the study site visit related to the system used to distribute state level funding to vocational programs. At both the secondary and postsecondary level, the state fund distribution system determines cost factors for specific programs based on an analysis of actual costs during the previous year. At each level, state funds are then distributed on the basis of cost factors per student FTE. Although this "pupil weighting" system is not employed in the distribution of federal funds within Florida, the system serves as a possible model for a federal distribution system in California.

Ohio's distribution system represents the purest form of this first category of systems in which there is no predetermined split of federal funds at the state agency level. With the exception of the Subpart 2 setasides which are distributed on a project basis, all federal funds are distributed to postsecondary and secondary institutions simultaneously through a formula allocation process. Both secondary and postsecondary districts are rank ordered on the basis of their scores on 7 criteria which reflect the requirements of federal legislation. An institution's ranking classification determines the dollar sum allocation or reimbursement rate, depending upon the type of expenditure.

The dollar allocation amounts and the reimbursement rates for individual items vary at the secondary and postsecondary levels. A postsecondary institution, for example, receives a larger allotment for a vocational education director than does a secondary institution. Even this "pure" system, then, involves an implicit division of funds between the secondary and postsecondary levels.

Illinois, the final state in this category, makes some division of funding with respect to which type of money is allocated to the secondary and postsecondary levels. All Subpart 4 funds are distributed on a project basis to secondary districts, and except for the portion which is distributed to the Cooperative Extension Service of the University of Illinois to provide consumer and homemaking outreach programs in depressed areas, the balance of Subpart 5 funds are also distributed primarily to secondary districts to support eleventh and twelfth grade courses in occupational homemaking.

The distribution procedure employed by Illinois in distributing Subpart 2 funds is of special interest. Illinois employs a formula reimbursement procedure which generates a reimbursement figure per vocational student unit, credit hour or contact hour, in both secondary and postsecondary vocational programs. This figure varies by the program, level of course and institution. The actual dollar reimbursement amounts assigned to course classifications emerged from a political process, and the absence of a rationale for the figures used is the most obvious weakness in the Illinois system.

Overall, however, Illinois' distribution system for Subpart 2 funding represents the most logical and equitable procedure for distributing federal funds among all the methods examined in the eight state sample. The Illinois system is appealing because it incorporates data on program level, occupational manpower need, and program costs, in addition to the criteria required by federal legislation. The system is also relatively simple to understand. The formula calculations require only access to classification tables and simple multiplication and addition, and should be easily interpreted by people at all administrative levels.

The Illinois procedure for Subpart 2 funding served as the model for one of the alternative systems proposed at the conclusion of this chapter.

Division of Funds on the Basis of Legislative Requirements or Political Negotiation

Three of the eight sample states fall into this category of the typology of distribution systems, Michigan, New Jersey and Arizona. In these states an explicit agency level split of federal funds for at least one subpart of the Act occurs before the distribution of monies is made to local districts within each level. The proportion allocated each agency reflects a political decision or legislative requirement, however, as opposed to a division based upon measurable variables such as program enrollments or costs.

Within Michigan, for example, the proportion of funding

allocated to postsecondary vocational programs is determined yearly at the time budgets for the postsecondary and secondary systems are set. The proportion of federal funds allocated the postsecondary schools varies yearly from approximately 16 to 19 percent based upon budget projections. The actual dollar amount received by postsecondary institutions on the basis of actual expenditures, however, approximates 15 percent of the total federal funds, the minimum allocation required under Subparts 2 and 3.

In the remaining two states in this category, New Jersey and Arizona, a state level split of Subpart 2 funds is made under which the postsecondary/adult sector receives the required minimum setaside of 15 percent. A second split is then made between postsecondary and adult programs, the proportions allocated to each being determined by negotiated agreement.

The postsecondary systems within both of these states are eligible to compete for project funding under the other subparts of the Act through a project application process. However, postsecondary institutions in both states have pursued such funding only to a limited extent, and both receive only approximately 20 percent of the total federal funds available.

With respect to their division of funds between the secondary and postsecondary levels, the three states in this category provide no new rationale or concept for the development of a system for California. However, the fact that three out of the 8 sample states divide funds on the basis of legislative requirement and/or political negotiation is significant. If our eight state sample is representative of the 50 states, many states must divide funds simply on the basis of politics or legal requirement.

Division of Funds on the Basis of Program Enrollments or Costs.

Of the eight sample states, only one makes an agency-level split of funds on the basis of a measurable variable such as program enrollments or costs. Washington divides federal vocational funds between the postsecondary and secondary level on the basis of the most recent year's vocational FTE enrollments.

The Washington procedure accepts the use of different definitions of vocational FTE between the two systems. In the secondary system, FTE is defined as 900 enrollment hours in approved vocational programs in one year for high schools; and 900 hours of actual contact time in vocational technical institutions. In the community colleges, an FTE is defined as 45 credit hours for approved vocational education programs in one year. State funds are also distributed on the basis

of FTE enrollments, using these different definitions for each level.

Washington's method for dividing funds between the secondary and postsecondary levels emerged at the conclusion of a study similar to ETI's. The Washington state allocation study was conducted by staff of the state's Commission for Vocational Education (CVE) over a year and a half time span. During that period CVE staff surveyed the distribution systems of 7 other states through a review of their state plans and telephone interviews with administrators in "most of these states." CVE staff proposed a set of alternative procedures to the Commission for dividing federal funds, including systems based upon weighted enrollments and program costs. All alternatives were rejected as "politically unfeasible," and finally, the Commission decided to adopt the same procedure employed in distributing state funds for the distribution of federal funds. Both systems were accustomed to the allocation method for state funds, and since this procedure was used in distributing fund amounts approximately ten times greater than the state's level of federal funding, the Commissioner considered it to be a practical and feasible solution.

Although Washington CVE staff report that the separate administrative agencies for the two systems are satisfied with the concept of dividing funding on the basis of vocational enrollments, debate occurs regarding the definitions of vocational FTE. The measurement of vocational enrollments at the secondary and postsecondary levels has also been an issue in California. Controversy over vocational enrollments at the two levels suggests that this issue should be addressed in any proposed distribution system which allocates funds on the basis of enrollments.

Other Eligible Recipients

In examining the distribution systems employed in the comparison sample of eight states, the study team explored the distribution of federal funds to agencies and insitutions other than postsecondary and secondary public education. In the eight state sample, however, none of the states had formally designated alternative agencies or institutions as "other eligible recipients" (OERs).

Florida reserves a portion of the Handicapped and Disadvantaged Setasides under Subparts 2 and 3 for distribution to alternative agencies outside the secondary and postsecondary systems, including the Department of Corrections, the School for the Deaf and Blind and certain Indian tribes. The portion of funding reserved for these agencies and organizations is set by administrative decision, and no formal rationale for the amounts or procedures was provided by Florida officials.

In Illinois, three alternative agencies are considered to be local educational agencies, which are eligible under their LEA status to receive federal monies, including the State Department of Vocational Rehabilitation, the Department of Corrections and the Department of Mental Health and Developmental Disabilities. As LEAs, the allocation for each agency is determined by the state's established formula procedure, although state staff must determine the relative financial ability of these agencies in proceeding with the formula calculations. Illinois has designated these agencies as LEAs, as opposed to OERs, to avoid creating a separate funding procedure to handle their alternative recipients.

The survey of distribution systems employed in the comparative sample of states produced no new information on procedures for allocating funds to OERs, since none of the eight states had designated alternative agencies to receive funds as OERs. The review of states did contribute to the development of alternative distribution systems for California, however, as detailed in the final section of this report.

Conclusions

From the survey of distribution systems used in other states and the review of related resources and studies, five alternative methods emerged as possibilities for dividing funds between the different deliverers of vocational education within California. In future phases of the study, these alternatives will be examined in relation to the requirements of the federal legislation, the needs of local educational agencies at both the postsecondary and secondary levels within the state, their financial impact upon each agency and individual districts, and their political feasibility.

Alternative 1: Allocate all federal funds to the postsecondary system.

The first alternative procedure California might employ in allocating federal funds would be to give all federal monies to one system, as in Colorado where essentially all federal vocational funds are given to the postsecondary system. Such a system would require a commitment of state funding to the secondary system and other agencies which do not receive federal monies, again similar to Colorado's legislative arrangement. The possible benefits associated with this alternative would involve reduced administrative costs and administrative difficulties.

Alternative 2: Allocate only the federally required 15 percent minimum setaside to the postsecondary system.

This procedure would allocate the lion's share of federal vocational monies to the secondary system, providing the postsecondary level with the required minimum level of 15 percent of the total funds under Subparts 2 and 3. Michigan serves as a model for this type of procedure, since the community colleges have historically received only the minimum allotment of federal monies. Similar to Alternative 1, adoption of this procedure would reduce planning and administrative difficulties in distributing the monies.

Alternative 3: Divide funds on the basis of unadjusted vocational enrollments.

The third alternative to be considered involves dividing the federal funds between eligible recipients in the state upon the basis of some measure of vocational enrollments. This alternative would result in a system similar to that in Washington State, where funds are divided on the basis of unadjusted vocational FTE enrollments which are calculated by definitions unique to each system. Washington's procedure avoids the issue of equating vocational enrollments at the secondary and postsecondary level, but the system is simple and offers the advantage of quick implementation.

Alternative 4: Divide funds on the basis of adjusted vocational enrollments or some measure of vocational attendance units.

A modification of Alternative 3 will also be explored, however, in which vocational enrollments at the two levels are equated through some set of weighting factors. These weighting factors might include coefficients for handicapped, disadvantaged and homemaking students, and a factor differentiating postsecondary and secondary students.

A method for equating different measures of vocational average daily attendance units employed at the secondary and postsecondary levels currently exists, via Vocational Attendance Units (VAUs). The VAU represents a measure of secondary level vocational average daily attendance, which is adjusted to account for the difference in the number of periods during a school day between the secondary schools and community colleges, in order to equate the attendance units reported by the two systems. The VAU computation could be used to equate vocational attendance measures between the two systems, and this measure could then serve as the basis for splitting funds between the two systems. A computer simulation of this procedure will be conducted to test its effects.

Another logical method for developing coefficients for

determining adjusted enrollments would be to use program cost data for secondary and postsecondary programs, in addition to cost figures for special programs for the handicapped and disadvantaged. Cost data are available within California at the program area level, but not at the individual program level. In order to obtain some measure of differences in program costs at the secondary and postsecondary levels, the available California data will be analyzed. If significant differences are found, this analysis will provide cost weighting factors which can be employed in a distribution simulation model.

Cost data at the individual program level are available in states other than California. To test a more refined set of cost weighting factors, program cost data available from other states will be used to develop estimates of appropriate weighting factors for California, and these coefficients will then be tested through computer simulations. Sensitivity analyses in which the values of the coefficients are varied will also provide information on what level of costs will significantly affect the distribution outcome.

Alternative 5: Distribute funds directly to local districts with no agency level split of funds.

The final alternative to be explored involves eliminating the agency level split of federal funds altogether, and distributing funds directly to both secondary and postsecondary districts simultaneously. This proposed procedure is based upon the systems employed in states such as Ohio and Illinois. Under this kind of system, individual districts would be ranked upon the basis of their fiscal capacity per unit of weighted vocational enrollment. This system would require that weighting factors first be developed for different categories of students including handicapped and disadvantaged students, and possibly a factor to differentiate secondary and postsecondary students. These weighting factors could be based upon cost data or they might be arrived at through negotiation between the different agencies involved.

A measurement of each district's ability to pay for vocational education programs will also need to be developed and calculated. Within California, this factor will depend primarily upon the allocation of state funds. As a final step in the procedure, the number of dollars per weighted pupil unit which each eligible recipient could reasonably be expected to spend would be determined, and this variable would be used to rank districts for a "leveling up" procedure.

In the leveling up procedure, eligible recipients would be listed in order of their fiscal capacity per unit of weighted vocational enrollment. Federal monies would be

allocated to the district with the lowest fiscal capacity in an amount which would make that district's fiscal capacity equal to the district with the next lowest ranking. Then federal monies would be allocated to these two lowest districts to bring them up to the level of the third lowest, and the procedure would be continued until all funds were exhausted.

Each of these five alternative procedures will require additional research to determine their feasibility. At this point they are proposed solutions to the current problem. Each alternative involves issues which must be addressed, and each dictates joint decisions by the administrative agencies which will be affected. These issues and decisions will be the focus of the next phase of the study.